



City of Hercules

111 Civic Drive
Hercules, CA 94547

Meeting Minutes

Finance Commission

J. Yamamoto, Chair
Stanley Tom, Vice Chair
Lori Risby, Commissioner
Zania Harris, Commissioner
Aida Torres, Commissioner

Council Chambers

Monday, January 22, 2018

7:00 PM

Special Meeting

I. CALL TO ORDER - ROLL CALL

Meeting was called to order at 7:02 p.m. by Chairperson Tom.

Stanley Tom, Chairperson – Present
J. Yamamoto, Commissioner – Present
Zania Harris, Commissioner – Present
Aida Torres, Commissioner – Present
Lori Risby, Commissioner - Present

II. PLEDGE OF ALLEGIANCE

III. OATHS OF OFFICE AND REORGANIZATION

1. Oath of Office – Commissioners Risby, Torres and Yamamoto.
2. Commissioner Tom motions to nominate Commissioner Yamamoto for Chairperson. Vote 5-0 for Yamamoto.
3. Commissioner Yamamoto motions to nominate Commissioner Tom as Vice Chair.
4. Commissioner Tom nominates Commissioner Harris for Vice Chair. Vote: 4-1 for Tom; For Tom: Yamamoto, Harris, Torres, Risby; For Harris: Tom

IV. AGENDA ADDITIONS/DELETIONS - NONE

V. PUBLIC COMMUNICATIONS - NONE

VI. DIRECTOR REPORT

Disbursement List is located at <http://www.ci.hercules.ca.us>. Click on Departments and Services. Click on Finance. Click on Disbursement List.

1. Director To discussed that Finance Commission meetings are not to be rescheduled, with the exception of an extraordinary event.
2. Cost Allocation Plan presentation is scheduled for February 15, 2018.
3. Director To updated the Finance Commissioners that the CARF is tentative to be finalized within days and will be presented in the February 26, 2018 regular meeting.

VII. CONSENT CALENDAR

Finance Commission meeting minutes from 11/16/17 approved.

(Motion: Vice Chair Tom, Second: Chair Yamamoto, Pass 5-0 (Ayes: Vice Chair Tom, Chair Yamamoto, Commissioner Harris, Commissioner Torres, and Commissioner Risby).

VIII. DISCUSSION AND/OR ACTION ITEMS

1. The new sub-committee members for Measure B & C are Vice Chair Tom and Commissioner Risby.
2. The new sub-committee members for Parks & Recreation Reporting are Chair Yamamoto and Commissioner Torres.

IX. COMMISSIONER REPORTS AND ANNOUNCEMENTS - NONE

X. FUTURE AGENDA ITEMS

1. Future Agenda Items Work Plan

XI. ADJOURNMENT

Chairperson Tom adjourned the meeting at 8:29pm.

The next Special Meeting of the Commission will be held on Thursday, February 15, 2018 at 7:00 p.m. in the Council Chambers.

x

J. Yamamoto, Chairperson

x

Annie To, Finance Director



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Meeting Minutes

Finance Commission

J. Yamamoto, Chair
Stanley Tom, Vice Chair
Lori Risby, Commissioner
Zania Harris, Commissioner
Aida Torres, Commissioner

Council Chambers

Thursday, February 8, 2018

7:00 PM

Special Meeting

I. CALL TO ORDER - ROLL CALL

Meeting was called to order at 7:00 p.m. by Chairperson Yamamoto.

Y. Yamamoto, Chairperson – Present
Stanley Tom, Vice-Chair – Present
Zania Harris, Commissioner – Not Present
Aida Torres, Commissioner – Present
Lori Risby, Commissioner - Present

II. PLEDGE OF ALLEGIANCE

III. INTRODUCTIONS AND PRESENTATION

1. Courtney Ramos presented the Matrix Group's recommended Full Cost Allocation and OMB complaint Cost Allocation plans for the City of Hercules.
2. The Finance Commission reviewed and provided feedback on the Full Cost Allocation and OMB complaint Cost Allocation plans presented by Courtney Reyes of the Matrix Consulting Group. Ms. Ramos will update her final presentation to the City Council to reflect the Finance Commission recommendations.
3. The Finance Commission recommended adoption of both the Full Cost Allocation complaint Cost Allocation plans by the Matrix Consulting Group (Motion: Vice Chair Tom, Second Commissioner Risby; Pass 4-0-1 (Ayes, Chair Yamamoto, Vice Chair Tom, Commissioner Risby, Commissioner Torres, Commissioner Harris absent))

IV. AGENDA ADDITIONS/DELETIONS - NONE

V. PUBLIC COMMUNICATIONS - NONE

VI. DIRECTOR REPORT

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VII. CONSENT CALENDAR - NONE

VIII. DISCUSSION AND/OR ACTION ITEMS - NONE

IX. COMMISSIONER REPORTS AND ANNOUNCEMENTS - NONE

X. FUTURE AGENDA ITEMS

1. Future Agenda Items Work Plan

XI. ADJOURNMENT

Chairperson Tom adjourned the meeting at 8:50pm.

The next Regular Meeting of the Commission will be held on Monday, February 26, 2018 at 7:00 p.m. in the Council Chambers.

x

J. Yamamoto, Chairperson

x

Annie To, Finance Director



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111 Civic Drive
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Meeting Minutes

Finance Commission

J. Yamamoto, Chair
Stanley Tom, Vice Chair
Lori Risby, Commissioner
Zania Harris, Commissioner
Aida Torres, Commissioner

Council Chambers

Monday, February 26, 2018

7:00 PM

Regular Meeting

I. CALL TO ORDER - ROLL CALL

Meeting was called to order at 7:02 p.m. by Chairperson Yamamoto.

Y. Yamamoto, Chairperson – Present
Stanley Tom, Vice-Chair – Present
Zania Harris, Commissioner – Present
Aida Torres, Commissioner – Present
Lori Risby, Commissioner - Present

II. PLEDGE OF ALLEGIANCE

III. INTRODUCTIONS AND PRESENTATION - NONE

IV. AGENDA ADDITIONS/DELETIONS – NONE

- Director To made some minor changes to the Mid-Year Report after the agenda was published on the website and distributed the report to the Finance Commissioners at the meeting.

V. PUBLIC COMMUNICATIONS - NONE

VI. DIRECTOR REPORT

Disbursement List is located at <http://www.ci.hercules.ca.us>. Click on Departments and Services. Click on Finance. Click on Disbursement List.

- Director To reported that the City of Hercules has completed the FY16-17 annual audits. She distributed the FY16-17 audit reports to the Finance Commissioners.
 - Vice-Chair Tom recommended to provide explanations for variances under/over 25% as compared to prior year.
 - A Management Discussion and Analysis was omitted in The Hercules Public Financing Authority Report as it was not required per the auditors; however, Vice-Chair Tom suggested to include a management discussion in the future.
- Director To presented the Mid-Year review for FY17-18. The Finance Commission have asked for the following clarifications in the FY16-17 year-end report:
 - The FY 16-17 Actual Salaries & Benefits expenditures were under budget due to vacancies.
 - In prior years, depreciation expense was not budgeted in the Sewer Fund. Depreciation is a non-cash item. In the past fiscal years, depreciation was either not budgeted or was budgeted at a low level. Starting in FY17-18, Finance staff will start budgeting for Depreciation Expenses.
 - The revenues that are booked in the Miscellaneous Reimbursement account are for internal administrative allocations that General Fund is charging to other funds.
 - The revenues that are booked in the Miscellaneous Revenue account are revenues that do not fall into any of the existing revenue categories in the General Fund.
 - City Manager Biggs explained the addition of the revenues and expenditure budget for the BART Parking Lot.
 - The negative expenditure amount of (\$22,500) in Facilities Fund (Fund 470) is for the correction of a typo. The budgeted amount should be \$2,500 and not \$25,000.

VII. CONSENT CALENDAR

- Finance Commission meeting minutes from 01/22/18 was approved with amendments to update the Vice Chair Vote to 3-2 in Section III, Item 4.(For Tom: Yamamoto, Harris, Risby; For Harris: Tom, Torres).
(Motion: Vice-Chair Tom, Second: Commissioner Risby, Pass 5-0 (Ayes: Chair Yamamoto, Vice-Chair Tom, Commissioner Harris, Commissioner Risby; Commissioner Torres)
- Finance Commission meeting minutes from 02/08/18 was approved with amendments to correct the meeting adjournment name from Chairperson Tom to Chairperson Yamamoto and to note that the February 26 meeting will be a regular meeting (not a special meeting).

(Motion: Vice-Chair Tom, Second: Commissioner Risby, Pass 5-0 (Ayes: Chair Yamamoto, Vice-Chair Tom, Commissioner Harris, Commissioner Risby; Commissioner Torres)

VIII. DISCUSSION AND/OR ACTION ITEMS

- Commissioner Torres provided an update on the Parks & Recreation meeting that was held on 02-26-18.
- Vice-Chair Tom made a presentation on Measures B & C. Vice-Chair Tom and Commissioner Risby recommended to use a 2-month reserve for the Fiscal Neutrality fund to help define long term financial stability. Previously, in the FY 15-16 report, a month reserve was used.
 - Vice-Chair Tom motioned to approve Measures B & C reports, with amendments to update the designations for Vice-Chair Tom and Commissioner Harris. Second, Commissioner Harris, Pass 5-0 (Ayes: Chair Yamamoto, Vice-Chair Tom, Commissioner Harris, Commissioner Risby; Commissioner Torres).
 - Vice-Chair Tom and Commissioner Risby recommended a 2-month reserve. Chair Yamamoto questioned why they recommended a 2-month reserve. Commissioner Risby and Vice-Chair Tom said that they eventually would like 3 month reserve but are shooting for 2 months now to make a gradual change. When Chair Yamamoto questioned how they came up with this and the basis for that conclusion, Risby said it was based on “industry standards “. When Chair Yamamoto asked what industry standards? Risby responded that it is based on industry studies - when she was questioned further by Chair Yamamoto it was discovered that they based this conclusion on fact that from her own personal experience as a tax preparation agent, she recommends that her individual taxpayers have at least a 3 month reserve. Chair Yamamoto pointed out that the City of Hercules should not be compared to an individual taxpayer and that that logic is flawed.

IX. COMMISSIONER REPORTS AND ANNOUNCEMENTS

- Vice-Chair Tom attended the City Leadership Meeting. He informed Chair Yamamoto that City Staff prepared a handout on tips of how to run a meeting and that Director Martin may have a copy.
- Vice Chair Tom and Commissioner Risby had a Measure B and Measure C Sub-Committee meeting.

X. FUTURE AGENDA ITEMS

Future Agenda Items Work Plan: Long Term plan and Parks and Recreation update will be included in the March agenda.

XI. ADJOURNMENT

Chairperson Yamamoto adjourned the meeting at 9:02pm.

The next Regular Meeting of the Commission will be held on Monday, March 26, 2018 at 7:00 p.m. in the Council Chambers.

x

J. Yamamoto, Chairperson

x

Annie To, Finance Director



City of Hercules

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Meeting Minutes

Finance Commission

J. Yamamoto, Chair
Stanley Tom, Vice Chair
Lori Risby, Commissioner
Zania Harris, Commissioner
Aida Torres, Commissioner

Council Chambers

Monday, March 26, 2018

7:00 PM

Regular Meeting

I. CALL TO ORDER - ROLL CALL

Meeting was called to order at 7:02 p.m. by Chairperson Yamamoto.

Y. Yamamoto, Chairperson – Present
Stanley Tom, Vice-Chair – Present
Zania Harris, Commissioner – Present
Aida Torres, Commissioner – Present
Lori Risby, Commissioner - Present

II. PLEDGE OF ALLEGIANCE

III. INTRODUCTIONS AND PRESENTATIONS - NONE

IV. AGENDA ADDITIONS/DELETIONS - NONE

V. PUBLIC COMMUNICATIONS - NONE

VI. DIRECTOR REPORT

Disbursement List is located at <http://www.ci.hercules.ca.us>. Click on Departments and Services. Click on Finance. Click on Disbursement List.

- Director To reported the 5 year long-term projection.
 - Vice Chair Tom recommended that the Five Year Long Term projection worksheet be updated to show the projected balance of the Fiscal Neutrality Fund balance each year and to show the balance required to meet a two month reserve each

year.

VII. CONSENT CALENDAR

- Finance Commission meeting minutes from 02/26/18 was approved with amendments to make the following corrections in paragraph VIII. (Motion: Vice-Chair Tom, Second: Commissioner Harris, Pass 5-0 (Ayes: Chair Yamamoto, Vice-Chair Tom, Commissioner Harris, Commissioner Risby; Commissioner Torres).
 - Vice-Chair Tom made a presentation on Measures B & C. Vice-Chair Tom and Commissioner Risby recommended to use a 2-month reserve for the Fiscal Neutrality fund to help define long term financial stability. Previously, in the FY 15-16 report, a month reserve was used.
 - Chair Yamamoto questioned why they recommended a 2-month reserve. Commissioner Risby and Vice-Chair Tom said that the two month reserve requirement was based on the City of Hercules Statement of Financial Policies which states a goal of having a two month reserve. They also stated that next year's Measure B and Measure C sub-committee should consider a future analysis to determine if a 3 month reserve requirement is appropriate.
 - Chair Yamamoto questioned the basis for a possible 3 month reserve requirement. Commissioner Risby stated that she recommends that her clients have at least a 3 month reserve based on her experience as Certified Financial Planner. Chair Yamamoto pointed out that that it would not be appropriate to apply individual financial planning practices for this purpose.
 - Vice-Chair Tom motioned to approve Measures B & C reports, with amendments to update the designations for Vice-Chair Tom and Commissioner Harris. Second, Commissioner Harris, Pass 5-0 (Ayes: Chair Yamamoto, Vice-Chair Tom, Commissioner Harris, Commissioner Risby; Commissioner Torres).

VIII. DISCUSSION AND/OR ACTION ITEMS

- The Parks & Recreation sub-committee will provide an update at the May 2018 Finance Commission Meeting.
- Discussed options for moving the regular Finance Commission meeting to another day. City Staff will follow up with a survey to Finance Commissioners to determine availability.

IX. COMMISSIONER REPORTS AND ANNOUNCEMENTS - NONE

X. FUTURE AGENDA ITEMS

XI. ADJOURNMENT

Chairperson Yamamoto adjourned the meeting at 8:11pm.

The next Regular Meeting of the Commission will be held on Monday, April 23, 2018 at 7:00 p.m. in the Council Chambers.

x

J. Yamamoto, Chairperson

x

Annie To, Finance Director



City of Hercules

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Meeting Minutes

Finance Commission

*J. Yamamoto, Chair
Stanley Tom, Vice Chair
Lori Risby, Commissioner
Zania Harris, Commissioner
Aida Torres, Commissioner*

Council Chambers

Monday, April 23, 2018

7:00 PM

Regular Meeting

I. CALL TO ORDER - ROLL CALL

Meeting was called to order at 7:02 p.m. by Chairperson Yamamoto.

Y. Yamamoto, Chairperson – Present
Stanley Tom, Vice-Chair – Present
Zania Harris, Commissioner – Not Present
Aida Torres, Commissioner – Not Present
Lori Risby, Commissioner – Present

II. PLEDGE OF ALLEGIANCE

III. INTRODUCTIONS AND PRESENTATIONS - NONE

IV. AGENDA ADDITIONS/DELETIONS - NONE

V. PUBLIC COMMUNICATIONS

- Former Finance Commissioner, Paul Freese, submitted a speaker card regarding Agenda Item VI.-Budget.

VI. DIRECTOR REPORT

Disbursement List is located at <http://www.ci.hercules.ca.us>. Click on Departments and Services. Click on Finance. Click on Disbursement List.

- Director To reported the First Look of Revenue and Expenditures. The numbers were refined from the recent Five Year Forecast.

- Reviewed the Cash and Cash Equivalent Report. Fiscal Neutrality Fund balance was increased to \$2,299,833 from \$2,176,160.

VII. CONSENT CALENDAR

- Finance Commission meeting minutes from 03/26/18 was approved. (Motion: Vice-Chair Tom, Second: Commissioner Risby, Pass 3-0 (Ayes: Chair Yamamoto, Vice-Chair Tom, Commissioner Risby).

VIII. DISCUSSION AND/OR ACTION ITEMS

- The Parks and Recreation Sub-Committee will meet and will provide a report at the Special Finance Commission meeting on May 4, 2018 so that any recommendations could be considered by the City Council on May 22, 2018. The Sub-Committee will plan to provide a draft to the Finance Commission by May 10, 2018.

IX. COMMISSIONER REPORTS AND ANNOUNCEMENTS

- The Finance Commission cancelled the May 28, 2018 Finance Commission Meeting due to Memorial Day Holiday and added a Special Meeting on June 4, 2018 to review the proposed Fiscal Year 2018 – 2019 Budget.

X. FUTURE AGENDA ITEMS

XI. ADJOURNMENT

Chairperson Yamamoto adjourned the meeting at 8:22pm.

The next Special Meeting of the Commission will be held on Monday, June 4, 2018 at 7:00 p.m. in the Council Chambers.

x

J. Yamamoto, Chairperson

x

Annie To, Finance Director



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Meeting Minutes

Finance Commission

J. Yamamoto, Chair
Stanley Tom, Vice Chair
Lori Risby, Commissioner
Zania Harris, Commissioner
Aida Torres, Commissioner

Council Chambers

Monday, May 14, 2018

7:00 PM

Special Meeting

I. CALL TO ORDER - ROLL CALL

Meeting was called to order at 7:09 p.m. by Chairperson Yamamoto.

Y. Yamamoto, Chairperson – Present
Stanley Tom, Vice-Chair – Present
Zania Harris, Commissioner – Not Present
Aida Torres, Commissioner – Present
Lori Risby, Commissioner – Not Present

II. PLEDGE OF ALLEGIANCE

III. INTRODUCTIONS AND PRESENTATIONS

- Chair Yamamoto and Commissioner Torres discussed the Parks and Recreation Sub-Committee report. After discussion, the Commission agreed with edits recommended by City Manager Biggs in the City Comparison-Fees slide (slide), decided to make slide 7 a recommendations slide, and clarified that the “main goal” in slide 8 was the goal of the Finance Sub-Committee. A presentation to the City Council will be scheduled for May 22, 2018.
 - a. Finance Commission approved motion. Approve the Parks and Recreation Sub-Committee report subject to the corrections discussed and to have Former Commissioner Paul Freese present the report to the City Council. Motion: Vice Chair Tom, Second, Commission Torres; (Ayes: Chair Yamamoto, Vice-Chair Tom, and Commissioner Torres).
 - b. Chair Yamamoto asked Vice Chair Tom to also attend Mr. Freese’s presentation to the City Council and Vice Chair Tom said that he will do so.

IV. AGENDA ADDITIONS/DELETIONS

V. PUBLIC COMMUNICATIONS

VI. DIRECTOR REPORT

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- Director To was not present due to illness.
- City Manager Biggs presented the tentative introduction of Proposed Fiscal Year 18-19 Revenue and Expenditures and the Cash and Cash Equivalents Report. The Finance Commission will have the opportunity to review the proposed budget at the Finance Commission Special Meeting on June 4, 2018.

VII. CONSENT CALENDAR

- Finance Commission meeting minutes from 04/23/18 was approved. (Motion: Vice-Chair Tom, Second: Commissioner Torres, Pass 3-0 (Ayes: Chair Yamamoto, Vice-Chair Tom, and Commissioner Torres).

VIII. DISCUSSION AND/OR ACTION ITEMS

IX. COMMISSIONER REPORTS AND ANNOUNCEMENTS

- Vice Chair Tom announced that he currently does not have access to City emails because his computer crashed.

X. FUTURE AGENDA ITEMS

- City Staff updated the agenda item list to indicate items completed. Vice Chair Tom indicated that an agenda item to discuss Finance Commission meeting dates should be added in the late summer.

XI. ADJOURNMENT

Chairperson Yamamoto adjourned the meeting at 8:16pm.

The next Special Meeting of the Commission will be held on Monday, June 4, 2018 at 7:00 p.m. in the Council Chambers.

x

J. Yamamoto, Chairperson

x

Annie To, Finance Director